

February 1, 2005

VIA FACSIMILE and E-MAIL

The Honorable Stephen J. Perry
Administrator
General Services Administration
1800 F Street, NW
Washington, DC 20415

The Honorable David H. Safavian
Administrator
Office of Federal Procurement Policy
Eisenhower Executive Office Building
1650 Pennsylvania Avenue, NW
Washington, DC 20503

RE: Data Glitch in SBA Office of Advocacy Research Report, *Analysis of Type of Business Coding for the Top 1,000 Contractors Receiving Small Business Awards in FY 2002*

Dear Administrators Perry and Safavian:

This letter is being written to both of you because of the dual role played by each of you in the ownership and management of the Federal Procurement Data System.

Congress established the Office of Advocacy (Advocacy) under Pub. L. 94-305 to represent the views of small business before Federal agencies and Congress. Advocacy is an independent office within the SBA, so the views expressed by Advocacy do not necessarily reflect the views of the SBA or of the Administration.

I am writing to inform you of some additional information that has become available in connection with a December 28, 2004, Advocacy contract study written by Eagle Eye Publishers, Inc. (Eagle Eye), titled: *Analysis of Type of Business Coding for the Top 1,000 Contractors Receiving Small Business Awards in FY 2002*. Advocacy is concerned that the General Services Administration's (GSA) 2002 Individual Contract Action

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Report (ICAR) database may reflect data errors that have resulted in skewing dollar amount for listed contracts.

Advocacy's study, which utilized the Federal Procurement Data System (FPDS), reported about \$540 million in contracts flowing to the Titan Corporation which were coded as small business contracts. Titan and our research contractor, Eagle Eye, met to review the data and concluded that this figure should be closer to \$120 million. According to Eagle Eye, the change in the dollar amount of the contracts may be attributed to the fact that GSA switched from reporting transaction amounts in thousands of dollars to reporting real dollars in FY 2003. According to all records with Reporting Periods (RP) prior to FY 2003 Q1 showed dollars in thousands. The two Titan records in question for contract GS35F4712G had a RP of FY 2002 Quarter 1 (the RP is one of the fields of data provided by GSA).

To normalize all dollar amounts in the Eagle Eye database, according to GSA's new FY 2003 standard, a 1000-times multiplier was applied to prior-year data. This included the two Titan transactions in question. The \$150,000 transaction became \$150 million, and \$155,000, became \$155 million. In addition, Eagle Eye incorrectly attributed four subsidiaries to Titan. Eagle Eye's explanation for this error is that they linked these firms through their Dun and Bradstreet number (DUNS) which associated them with Titan. This error resulted in roughly \$16 million. Further, both Titan records in question were coded as Entry Type C, which means they were Correcting Records that were intended to serve as replacements for previously reported contract transactions and meant to be processed with FY 2002 data.

Please note that this review was limited to Titan Corporation, which initiated and conducted much of the post-release review of their contracting figures with the assistance of Eagle Eye. A more recent Contract Life Cycle Report, accessed on FPDS for contract GS 35F4712G, indicates that the glitch in using (or not using) the multiplier remains.

I would like to work with your office to correct this data glitch, and I remain committed to helping ensure that greater access to FPDS information is accompanied by greater data accuracy.

Thank you for your attention and my office looks forward to working with GSA to ensure greater accuracy in procurement data. If there are further questions regarding this request, please have your staff contact Major Clark in my office. His telephone number is 202-205-7150 and his e-mail address is major.clark@sba.gov.

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Sincerely,

/s/

Thomas M. Sullivan
Chief Counsel for Advocacy

cc: Paul Murphy, President, Eagle Eye Publishers
Thomas Karr, Titan Corporation